



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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December 2, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SERVICE-RELATED AMENDMENTS WITH
VARIOUS SERVICE PROVIDERS TO CONTINUE CRITICAL EQUIPMENT
MAINTENANCE AND REPAIR SERVICES (All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and delegate authority to the Director of Health Services, or his designee, upon review and approval by County Counsel, to:

1. Amend nine Agreements with the various service providers listed on Attachment A, effective January 1, 2005 through December 31, 2006, with a Calendar Year 2005 maximum obligation of \$827,609, and a total maximum obligation of \$1,655,218, net County cost.
2. Amend five Agreements with the various service providers listed on Attachment B, effective January 1, 2005 through December 31, 2006, with a Calendar Year 2005 maximum obligation of \$1,147,872, and a total maximum obligation of \$2,295,744, net County cost; and retroactively approve the contract period from August 1, 2003 through December 31, 2004, and payments up to a maximum obligation of \$2,285,066.
3. Amend five Agreements with various service providers, who are Original Equipment Manufacturers, listed on Attachment C, effective January 1, 2005 through December 31, 2009, with a Calendar Year 2005 maximum obligation of \$471,248, and a total maximum obligation of \$2,356,240, net County cost.
4. Amend any of the above Agreements to add/remove related equipment, as necessary for maintenance and repair, to assure the continued provision of patient care at Department of Health Services' facilities, and to increase the contract sum on any of the Agreements listed

on Attachments A, B and C by no more than 25% above the Calendar Year 2005 allocation in any following year to accommodate any such additional equipment. Maintenance and repair of the equipment shall include, but not be limited to, warranty expiration, emergency repairs, and critical preventive maintenance.

5. Delegate the Duties and Assign the Rights of Equipment Maintenance and Repair Services Agreement No. H-207975 to Hill-Rom Company, Inc., as a result of the acquisition of Mediq/PRN Life Support Services by Hill-Rom Company, Inc.
6. Amend Agreement No. H-700154 with International Remote Imaging Systems, also listed on Attachment C, to increase the maximum obligation from \$31,188 to \$36,188, effective upon date of Board approval through December 31, 2004, with provisions for a five-year renewal through December 31, 2009, with a maximum obligation for Calendar Year 2005 of \$24,968, net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of these recommended actions is to enable the Department of Health Services (DHS) to ensure continued provision of maintenance and repair services for a variety of critically-needed equipment at various DHS facilities. These equipment maintenance services Agreements expire December 31, 2004.

The Board is further retroactively approving the contract period for the five agreements, listed on Attachment B, that were initially approved by the Board on April 30, 2002 with an expiration date of July 31, 2003. It appears that these five agreements were extended through December 31, 2004 without Board authority. For the August 1, 2003 through December 31, 2004 period, DHS is receiving, and making payments for, services provided under these agreements, and is requesting your Board to authorize the retroactive contract period and the related payments. The Department is reviewing the historical files and processes which contributed to the need for the retroactivity and will take corrective action as necessary to prevent a reoccurrence.

The Board is also authorizing the Director of Health Services, or his designee, to execute Amendment No. 2 with International Remote Imaging Systems (IRIS) to increase funding by \$5,000 for Olive View/UCLA Medical Center (Olive View) for Calendar Year 2004. The increased funding is necessary to address an inadvertent error in the amount of funding allocated for Olive View approved in a prior Board action. IRIS provides preventive maintenance on fluid workstations at Olive View and Harbor/UCLA Medical Center (Harbor). Approval of delegated authority will allow DHS to take necessary action to obtain necessary repair and maintenance services for the fluid workstations at both hospitals.

Implementation of Strategic Plan Goals

The actions meet the County's Strategic Plan Goals of Service Excellence and Organizational Effectiveness by promoting best practices in maintaining patient care equipment and providing flexibility to ensure that all the equipment is maintained to industry standards.

FISCAL IMPACT/FINANCING:

Total funding for the continuation of services under these Amendments for the entire period is \$6,307,202, net County cost. The contract allocation for Calendar Year 2005 is \$2,446,729. Funds are included in DHS' Fiscal Year 2004-05 Adopted Budget and will be requested, as necessary, in future fiscal years. Annual contract allocations, unless otherwise noted, are identified on Attachments A, B, and C. The total amount for the retroactive period of August 1, 2003 through December 31, 2004 is \$2,285,066.

The annual contract allocations identified on Attachments A, B, and C for future calendar years may decrease as new equipment is purchased and repairs are covered under warranty, or the contract allocation may increase as equipment comes off warranty and repairs and maintenance for such equipment needs to be covered under these Agreements.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The proposed Amendments will provide both routine and emergency equipment maintenance and repair services to equipment located at Los Angeles County+University of Southern California Medical Center, High Desert Health System, Harbor, Martin Luther King, Jr./Drew Medical Center, and Olive View. The equipment shall be maintained in accordance with the manufacturer's performance standards and in compliance with all accrediting and reviewing agencies' requirements, including the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). The Agreements may be terminated for convenience by County upon 10 or 30 days advance written notice to Contractor depending on what the specific contract language requires.

Various Service Providers - Attachments A and B Contractors

The Contractors listed on Attachments A and B provide equipment maintenance and repair services for a wide variety of equipment, located in operating rooms, radiology, laboratory, etc. at the Medical Centers and other DHS facilities. All the equipment must be inspected and maintained to meet JCAHO standards and the Medical Centers must document that maintenance of equipment is consistent with industry standards to minimize risks. These Agreements are being extended while DHS determines the most cost-effective way to obtain these services, e.g. competitive bids, and completes the necessary processes.

Under the Delegation and Assignment provisions of Agreement No. H-207975, the County's consent is required for transfers of ownership. On February 2, 2004, Hillenbrand Industries, Inc. completed its acquisition of Mediq/PRN Life Support Services (Mediq). Mediq is now a wholly-owned

subsidiary of Hill-Rom Company, Inc., which is a subsidiary of Hillenbrand Industries, Inc. The documentation provided by Mediq and Hill-Rom Company, Inc. will be reviewed by County Counsel as well as the Department's Contracts and Grants and Audit and Compliance Divisions, prior to execution of the Amendment.

Original Equipment Manufacturers (OEM) - Attachment C Contractors

The Department is recommending sole source Amendments with Instrumentation Laboratory Company, International Remote Imaging Systems, Shimadzu Precision Instruments, Inc., Simplex Grinnell, L.P., and Steris Corporation because they are OEM of the equipment covered under these Agreements. DHS attempts to procure medical equipment maintenance and repair services from the OEM, whenever possible, to ensure that such equipment performs in accordance with the manufacturer's performance standards and that preventive maintenance services comply with all accrediting and reviewing agencies' requirements.

The nine Amendments identified on Attachment A and the five Amendments identified on Attachment B will become effective January 1, 2005 through December 31, 2006, and the five Amendments with OEMs identified on Attachment C will become effective January 1, 2005 through December 31, 2009.

The Department has determined that these are not Proposition A agreements, and therefore, provisions of the County's Living Wage Program do not apply.

Attachments A, B, and C provide additional information.

CONTRACTING PROCESS:

DHS will conduct a competitive bid for the contract services listed on Attachments A and B. However, since the contractors on Attachment C are Original Equipment Manufacturers, DHS is recommending sole source Agreements, based on the justification provided above.

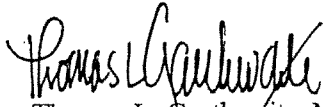
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The approval of these actions will allow DHS to ensure necessary equipment repair and maintenance services are provided without interruption at County health facilities.

The Honorable Board of Supervisors
December 2, 2004
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite".

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ds

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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AMENDMENTS TO VARIOUS SERVICES AGREEMENTS

Effective January 1, 2005 through December 31, 2006

CONTRACTOR/CONTRACT NO.	CONTACT PERSON/ADDRESS	FACILITY	ANNUAL MAXIMUM OBLIGATION	SERVICE TYPE
1. Allen Alarm Systems, Inc. H-700133-1	Perry Allen, President 4853 West Jefferson Blvd Los Angeles, CA 90016 Tel.: (323) 731-0200 Fax: (323) 733-4074 e-mail: perry@allenalarms.com	Rancho HWHC R. Temple HC Torrance Whittier HC	\$30,000 252 252 252 <u>\$ 2,408</u> <u>\$33,164</u>	Preventive Maintenance Monitor and Repair Security Systems
2. EP Radiological Services, Inc. H-700098-1	Richard A. Flannery, President 8030 Remmet Avenue, Unit 1 Canoga Park, CA 91304 Telephone: (818) 313-9729 Fax: (818) 313-8630 e-mail: rflannery@epradiological.com	Harbor Olive View Rancho MLK	\$161,606 \$ 5,940 \$ 60,000 <u>\$ 23,760</u> <u>\$251,306</u>	Preventive Maintenance Radiological Equipment
5. Getinge USA, Inc. H-700151-1	Kenneth P. Jackson, Branch Manager 1777 East Henrietta Road P. O. Box 92640 Rochester, NY 14692 Telephone: (800) 475-9040 x4419 Fax: (585) 214-6034	Olive View	\$ 85,000	Preventive Maintenance Operating Room Equipment
4. Global Neurodiagnostics H-700047-1	Stuart Hall, Owner 13520 Meganwood Place La Mirada, CA 90638 Telephone: (562) 233-3504 Fax: (562) 947-3251 e-mail: global@spine-mon.com	Harbor Rancho	\$ 57,625 <u>\$ 16,000</u> <u>\$ 73,625</u>	Service Intra-Operative Monitoring

AMENDMENTS TO VARIOUS SERVICES AGREEMENTS

Effective January 1, 2005 through December 31, 2006

CONTRACTOR/CONTRACT NO.	CONTACT PERSON/ADDRESS	FACILITY	ANNUAL MAXIMUM OBLIGATION	SERVICE TYPE
5. Harbor-UCLA Medical Foundation, Inc. H-300539-1	Mack B. Oliver, CEO 21840 So. Normandie, Suite 700 Torrance, CA 90502 Telephone: (310) 222-5181 Fax: (310) 328-1415 e-mail: www.moliver@rei.edu	Harbor	\$ 25,480	Service - Yag Laser
6. Medrad Incorporation 70152-1	Mary Jane Bills, Inside Sales Representative One Medrad Drive Indianola, PA 15051 Telephone: (800) 633-7231 Fax: (412) 767-4120	Harbor Olive View MLK	\$ 5,135 \$ 48,140 \$ 30,700 <u>\$ 83,975</u>	Preventive Maintenance Injectors - Radiology
7. MTS-Delft USA H-700166	Larry Cornell 206 East Garfield Road Aurora, OH 44202 (800) 290-2565	MLK	\$ 99,000	Equipment Maintenance
8. Olympus America, Inc. H-700148-1	Steven K. Wendt, Director Operations and Government Sales 2 Corporate Center Drive Melville, NY 11747 Telephone: (800) 645-8160 Fax: (800) 228-4963	Olive View	\$ 91,000	Preventive Maintenance Scope Repair GI lab and Medicine Clinics
9. RCI Image Systems H-700100-1	Richard Corrales, President 1210 West Jon Street Torrance, CA 90502 Telephone: (310) 965-0371 Fax: (310) 965-0085 e-mail: vickie@rcimaging.com	Harbor Olive View	\$ 50,059 <u>\$ 35,000</u> <u>\$ 85,059</u>	Service Microfilming - General Accts. Expenditure Management

TOTAL MAXIMUM OBLIGATION FOR CALENDAR YEAR 2005 = \$827,609

AMENDMENTS TO VARIOUS AGREEMENTS
Effective January 1, 2005 through December 31, 2009

CONTRACTOR/CONTRACT NO.	CONTACT PERSON/ADDRESS	FACILITY	ANNUAL MAXIMUM OBLIGATION	SERVICE TYPE
1. Instrumentation Laboratory Company H-700115-1	Dean Wornstaff, Director Customer Service 101 Hartwell Avenue Lexington, MA 02421-3125 Telephone: (800) 955-9525 Fax: (800) 732-3675	Harbor Olive View	\$ 36,024 \$ 67,500 \$ 103,524	Preventive Maintenance Blood Gas Laboratory
2. International Remote Imaging Systems H-700154-1	Cesar Garcia, Chief Executive Officer 9172 Eton Avenue Chatsworth, CA 91311-5805 Telephone: (800) 776-4747 (818) 709-1244 Fax: (888) 269-4747 e-mail: sandra.ramirez@proiris.com	Harbor Olive View	\$ 7,317 (1/1/05 - 4/30/05 only) \$ 17,651 \$ 24,968	Preventive Maintenance Fluid Workstations
3. Shimadzu Precision Instruments, Inc. H-700099-1	Randal Walker, National Service Manager 20101 South Vermont Avenue Torrance, CA 90502 Telephone: (310) 217-8855 ext. 135 Fax: (310) 271-0729 e-mail: walker@shimadzumed.com	Harbor Rancho	\$ 79,200 \$ 12,000 \$ 91,200	Preventive Maintenance Radiology
4. Simplex Grinnell, L.P. H-700141-1	Sherry Suhosky, Service Manager 900 Allen Avenue Glendale, CA 91201 Telephone: (818) 247-1199 Fax: (818) 247-0999 e-mail: ssuhoskytycoint.com	Harbor MLK Rancho Mid-Valley CHC	\$ 9,974 \$ 74,160 \$ 60,000 \$ 8,975 \$ 153,109	Preventive Maintenance Plant Management
5. Steris Corporation H-300538-1	David Saldivar, District Service Manager 2424 West Twenty Third Street Erie, PA 16506 Telephone: (800) 333-8828 Fax: (814) 870-8475 e-mail: david.saldivar@steris.com	Harbor High Desert MLK Olive View Rancho	\$ 11,390 \$ 10,000 \$ 7,057 \$ 30,000 \$ 40,000 \$ 98,447	Preventive Maintenance Sterilizers

TOTAL MAXIMUM OBLIGATION FOR CALENDAR YEAR 2005 = \$471,248

AMENDMENTS TO VARIOUS AGREEMENTS
Effective January 1, 2005 through December 31, 2006

CONTRACTOR/CONTRACT NO.	CONTACT PERSON/ADDRESS	FACILITY	ANNUAL MAXIMUM OBLIGATION	SERVICE TYPE
1. American Bio-Medical Services, Inc. H-207976	Robert C. Altis, President 631 West Covina Blvd. San Dimas, CA 91773 Tel.: (909) 599-5800 Fax: (909) 599-1177	MLK LAC/USC	\$ 87,194 \$ 47,340 <u>\$134,534</u>	Equipment Maintenance
2. CEPA H-207977	Ismael Diaz 1939 Lake Place Ontario, CA 91761 Tel.: (909) 923-1968 Fax: (909) 923-8712	Harbor MLK LAC/USC (LAC -\$24,540) (Hudson - \$300) Rancho Public Health Olive View	\$ 10,560 \$ 5,136 \$ 24,840 \$ 6,828 \$ 7,143 <u>\$ 15,432</u> <u>\$ 69,939</u>	Equipment Maintenance
3. McBain Instruments H-207961	Tom E. Dulak, Chief Executive Officer 9601 Variel Avenue Chatsworth, CA 91311-4911 Telephone: (818) 341-0618 Fax: (818) 341-0618	Harbor HDHS MLK Olive View Rancho	\$ 18,690 \$ 2,000 \$ 6,900 \$ 10,940 <u>\$ 1,000</u> <u>\$ 39,530</u>	Maintenance and repair Laboratory Equipment
4. Mediq/PRN Life Support Services H-207975 Delegation and Assignment to Hill-Rom Company, Inc.	Warren Gitt, Director of Operations 2101 West Alice Avenue, Suite 100 Phoenix, AZ 85021 Tel.: (602) 678-0000 Fax: (602) 678-0180	Harbor High Desert Rancho MLK Olive View	\$116,968 \$ 33,000 \$ 112,000 \$ 192,227 <u>\$ 57,111</u> <u>\$511,306</u>	Equipment Maintenance

AMENDMENTS TO VARIOUS AGREEMENTS
Effective January 1, 2005 through December 31, 2006

CONTRACTOR/CONTRACT NO.	CONTACT PERSON/ADDRESS	FACILITY	ANNUAL MAXIMUM OBLIGATION	SERVICE TYPE
5. Superior Scientific, Inc. H-207974	Charles B. Brokaw, President Superior Scientific, Inc. 210 So. Raymond Avenue Alhambra, CA 91801 Telephone: (626) 281-5588	Harbor High Desert MLK Humphrey CHC LAC/USC LAC CHCs Olive View (OVMC - \$67,050 Burbank - \$360 Glendale - \$300 No. Hillywd - \$300 S. Fernando - \$300) Rancho	\$ 146,681 \$ 17,400 \$ 85,580 \$ 9,260 \$ 37,716 \$ 11,616 \$ 68,310 \$ 16,000 <u>\$ 392,563</u>	Equipment Maintenance

TOTAL MAXIMUM OBLIGATION FOR CALENDAR YEAR 2005 = \$1,147,872